The Agriculturists' Relief Bill—*contd.*

MR. B. S. PUTTASWAMI pointed out that the discussions of the previous day showed that some members who supported the legislation were under the impression that they alone were interested in the prosperity of the raiyats and not the opponents of the measure. This, he said, was wrong; and that both sides were equally working for the benefit of the raiyats from different points of view. Referring to Mr. Hosakoppa Krishna Rao's statement that the raiyats were in a very deplorable condition owing to very many causes, Mr. Puttaswami said that the first business of the House was to see if the complaint was universal and if the Bill under consideration was calculated to afford the required relief. He also thought that if the Bill brought with it any disadvantages to the raiyats in its train, then the House should pause before passing it.

The next point for consideration was whether in British India where such an act was said to be in force, the raiyats were really in a prosperous condition. It was pointed out, he argued, that the main reasons for the suffering of the raiyats was their ignorance and the usurious rates of interest charged by the money-lenders on the loans granted by them. Mr. Puttaswami admitted that the raiyats were ignorant in the sense that they did not know the improved and up-to-date methods of cultivation; but he was not prepared to admit that they were ignorant of litigation at all. On the contrary, he was of opinion that the raiyats were to a large extent highly litigious. In regard to the prevention of the usurious rates of interest, he did not think that there need be a Bill of the kind proposed. Although he did not know much of the conditions in the malnad, so far as the maidan was concerned, he was sure that there was no such difficulty; because, there were a large number of co-operative societies that would be available to help the raiyats at all times. These societies were very sympathetic to them and would not rush to courts without exhausting all persuasive methods. They did not levy exhorbitant rates of interest. Even when the properties were brought to sale, some latitude was given to the debtors to redeem them within a specified period. There was also a good number of money-lenders who were quite prepared at all times to give up a portion of principal amount itself in addition to the interest. In these circumstances, he did not think that there was any necessity for legislation of this kind at all in

the maidan. He was of opinion that in place of the proposed legislation, provision might be made for courts passing instalment decrees, lowering the rates of interest and for the establishment of Land Mortgage Banks. He also pointed out that Mr. Hosakoppa Krishna Rao himself had admitted that unless mortgage banks were started side by side with the introduction of the measure, the raiyats would not be benefited. For these reasons, he thought that the first thing for Government to do was to start Land Mortgage Banks and watch their working. After all, he said, that according to the Bill the money-lender could not imprison the debtor for non-payment of his debt, nor attach his property and bring it for sale but his only remedy lay in attaching the standing crops. He pointed out the fact that the supporters forgot the point that the raiyat might not grow the crops at all for the simple reason that they would not be his the moment they are ready for harvesting. The result would be that the money-lender would not get back his money at all and would think twice before lending it to any raiyat. The consequence would be that if a raiyat lost a pair of oxen and wanted money for purchasing a new pair he would not get the capital required as no money-lender would be prepared to advance it to him. He admitted that a spendthrift raiyat who contracted debts for pleasure or for social functions like marriage, funeral, etc., would be affected adversely and that for very good reasons; but ordinarily a careful raiyat would not contract debts that he could not repay from the produce of his land. If the object of the Bill was to prevent the auction sale of the property of the debtor for fear that it would be knocked down for a very small sum, Mr. Puttaswami pointed out that such things did happen even without the Bill and he feared that such things would also increase after the passing of the Bill.

Another disadvantage to the raiyat would be that he would lose all credit. He was sure that under the proposed measure, litigation would inevitably increase and that the Bill would also inculcate in the minds of people the ideas of fraud and deceit. For, if a raiyat wanted to sell his property, he could not easily get purchasers; because at any time he might have a chance to prove that he had merely mortgaged his property and not sold. All this could be done by merely bringing forward a few witnesses whose oral evidence the courts were authorised to admit. He, therefore, thought that the Bill was calculated neither to help the debtors nor the creditors.

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For these reasons, he thought that the Bill should not be brought into force until the report of the British Indian Agricultural Commission was published.

MR. L. VEMA REDDY pointed out that the object of the Bill was to help the poor raiyats and he did not agree that it was meant to sacrifice the creditors in order to guard the interest of the debtors. The main point for consideration, he said, was whether a Bill of this kind was necessary or not. He drew the attention of the House to the fact that the principles of the present Bill had been placed before the Assembly on the last occasion and were approved unanimously by them ; that when such an approval had been already given he did not see why the approval of the Assembly was again sought for. He was of opinion that even the draft Regulation need not have been placed before the House as it would create a bad precedent for the future.

Referring to the opinion of certain members that the raiyats would not be able to raise any loan at all, Mr. Vema Reddy explained that such a state of things would be impossible as it was against human nature. In his opinion, human society could not exist without lending and borrowing. He emphasised the point that the Bill was brought by Government in the best interests of the people and that if there were any clauses in the Bill that needed verbal alterations, that could be done by the Legislative Council. In regard to the suspicion that the raiyats would have undue scope to deceive money-lenders, he pointed out that in order to allay this feeling, the provision relating to that aspect of the question should be properly scrutinised so that the interests of both the money-lenders as well as the raiyats might be equally safeguarded. He, therefore, appealed to the House to accept the principles of the Bill with the proviso that Land Mortgage Banks should be established as far as possible in places where the Regulation was sought to be applied.

MR. T. NANJAPPA agreed with Mr. Vema Reddy that it was impossible for people to live without lending and borrowing. At the same time he thought that any measure of legislation of the kind now brought up before the Assembly should work equally in the interests of both the borrower and the lender. He objected to the provision giving retrospective effect to the provisions of the Regulation. Referring to the working of a similar measure in the Bombay Presidency, he said that his own information showed that it did not work well in that Presidency and

that there was already a proposal to withdraw it from the statute book. It was true, he said, that the Malnad Improvement Committee said that Land Mortgage Banks would not by themselves help the raiyats unless the Agriculturists' Relief Bill was also introduced, but the Government did not say to what parts of the State it would be made applicable ; and as the preamble at present stated, it might be applied to any place at the discretion of Government. He pointed out that there was a suspicion in the minds of the representatives coming from the maidan parts that it might be applied to the maidan taluks as well. He added, that if the idea was to make it applicable only to the malnad, a statement should be made by Government to that effect; in which case, he added, a large portion of the opposition could be disarmed at once. Mr. Nanjappa agreed with Mr. Puttaswami that the measure was a fruitful source of litigation.

Referring to the admission of oral evidence, he said that ordinarily oral evidence would not be accepted as reliable unless it was borne out by documents ; and that when once the oral evidence was allowed to be admitted, there would be no stability for even genuine transactions with the result that malpractices would have full play in all places where the Regulation would be introduced.

He also explained how with the several reliefs proposed to be given to the raiyats under the Bill, the money-lenders would be averse to lending money to the raiyats and how they would rather deposit their surplus funds in the Banks at a lower rate of interest than lending to the raiyats at higher rates of interest with the risk of losing both the capital and interest thereon. He, therefore, thought that all these aspects of the question should be considered by Government and a revised Bill which would safeguard the interests of both the borrower and the lender brought up before the House.

THE SECRETARY TO GOVERNMENT, LAW DEPARTMENT, said that the various difficulties that were pointed out since the Bill was first brought up before the Assembly had been removed and that it was only the revised Bill that was now before the House.

MR. B. LINGE GOWDA pointed out that the Regulation made adequate provision to safeguard the interests of money-lenders also in addition to providing (i) for the mortgager to be in possession of the property till the debt was liquidated ; (ii) for rent being fixed and (iii) for

remission thereof wherever there was failure of crops. He also pointed out that the Regulation applied only to the raiyats getting an income of Rs. 300 to Rs. 600 which meant that the number of raiyats coming under the operation of the law was very much restricted. He added that there would be no difficulty in withdrawing the law the moment it was found that it worked as a hardship.

In these circumstances, he urged for the acceptance of the principles of the Bill.

MR. SRINIVASIENGAR of Yelandur said that Government established institutions like the co-operative credit societies, agricultural societies and several economic development departments for the improvement of the raiyats and that the present legislative measure also was aimed at increasing the economic prosperity of raiyats. It was, wrong, in his opinion, to say that it was meant to discourage money-lending. The object of the Bill was to protect the raiyat against fraud and ruin by the levy of usurious interest. In his opinion, if this measure was enacted, the raiyat would be enabled to improve his land and also increase his prosperity. In these circumstances, he thought that the measure should be supported. He was also of opinion that the Regulation should be made applicable to the whole State and not merely to the malnad.

MR. LAKSHMINARAYANA REDDY thought that this piece of legislation would not help the raiyats at all. In his opinion, the raiyats could borrow money now at least at a higher rate of interest ; but after the passing of the proposed Regulation, no money-lender would be prepared to lend to the raiyats at all.

MR. PATEL CHANNABASAPPA, was of opinion that the law provided for transactions between money-lenders and raiyats but it did not provide for such transactions as between raiyats and raiyats or between raiyats and their servants. In his opinion, provision should be made for these cases also.

MR. N. G. SANJEEVIAH traced the previous history of the introduction of this legislation in Mysore and said that so far there was no resolution received from any member to say that the introduction of such a measure would work as a hardship to the raiyats. The only point made out by the opposition, he said, was that the raiyats could not get credit after the passing of this Bill. In his opinion, it was not necessary at all to give large loans to the raiyats. He said that the raiyats were borrowing not primarily for the improve-

ment of cultivation but for various other reasons; that if they required loans for improvement of agriculture, they could easily get Takavi loans from Government and that it would be to the advantage of the raiyats themselves that other loans not connected with agriculture should be denied to them as far as possible.

It was surprising, he said, that a Bill calculated to improve the lot of the poor raiyats, should have been opposed, leading one to believe that all the cries about the improvement of the backward communities was merely illusory and that there was an attempt to exploit them more and more for the benefit of the richer classes. He agreed that there might be hardships here and there to some money-lenders but that it was in the best interests of the poorer raiyats that a measure of the kind should be enacted as early as possible.

Mr. B. Keshaviah said that this was an old question and that several representations had been made in the Assembly for very many years past to enact a measure of this kind. Speaking from experience, he said that very many raiyats in the malnad were rendered altogether helpless and destitute on account of the loans raised by them at very high rates of interest. The borrowing raiyats had to suffer untold miseries, and resorting to law courts against money-lenders would only spell further ruin to them. Heavy debts always caused the ruin of the debtor. He said that it was for these reasons that the Mahomedan law discountenanced the levy of interest thereby discouraging money-lending itself. In the present state of society in the malnad, he thought that such a Regulation was urgently called for. He would not contend, he said, that the Bill was perfect but that many matters of detail might be considered in the Legislative Council. In his opinion, the provision giving powers to the Deputy Commissioner to cancel the sale even when it was ordered by the civil court was not just and that that power should rest with the civil courts themselves.

Mr. Siddalingappa Setty was of opinion that Land Mortgage Banks should be established along with the introduction of this legislation.

Mr. Jatre Naik said that the measure should be made applicable to the whole State.

Mr. Rajagopala Mudaliar was of opinion that unless Mortgage Banks were established beforehand, the introduction of this measure would not be helpful to the raiyats. In the first place, he said that a correct idea of the income of a raiyat could not be properly fixed unless it was

based on the acreage of his holding. To give real relief to the raiyat, it was necessary, he said, that he should get money from somewhere. But after the passing of this Bill, he said that Government would not give him; he could not get money from the co-operative societies and money-lenders would not come to his help. In these circumstances, the passing of this legislation would be of no avail to him. He, therefore, opposed it.

MR. PATTABHIRAMA SETTY was also of opinion that there was no use of this legislation unless Land Mortgage Banks were established beforehand.

At this stage, the Assembly rose for lunch and re-assembled at 3-30. p.m.

MR. T. S MANGESHA RAO reminded the Dewan that during his tour in Sagar, representations were made by the people for the introduction of the Agriculturists' Relief Act as early as possible. A resolution on the subject was also submitted to Government. He added that the Agriculturists' Relief Act was in force in Siddapur, Sirsi and other places in the Bombay Presidency, that it was working very well there and that the raiyats were in a very prosperous condition. He thought that the Bill was well suited to the malnad and the population would be greatly benefited by its introduction. He said that the opponents in a way appeared to have accepted the principle of the Bill although their opposition was only in regard to working detaiis.

MR. SHAMPUR PAPANNA said that detailed investigations were conducted by the Malnad Improvement Committee in the course of which it was found that a very pernicious system, *viz.*, *Suttige System*, was prevalent in the malnad by which a large number of raiyats were altogether subjected to utter slavery and ruin. He was of opinion that to relieve the condition of such raiyats a measure of the kind before the House was absolutely necessary.

MR. BAGAMANE DEVEGOWDA said that 95 per cent of rural population were quite illiterate and from his personal experience, he could say that the people in the villages did not want the Bill. He was of opinion that the introduction of this measure would only increase litigation in the country. He pointed out that from Mr. Hosakoppa Krishna Rao's remarks it was clear that the condition particularly in his part of the country were very bad and to remedy such a state of things, the measure might be introduced in the first instance

in the Koppa Taluk, leaving the question of its extension to other parts later on after consulting the Representative Assembly.

MR. SILVESTER PAIS said that the Malnad Economic Survey Committee had recommended three remedies for ameliorating the condition of the malnad people, *viz.*, the establishment of the Land Mortgage Banks, the introduction of the Record of Rights and of the Agriculturists' Relief Act. Each one of the remedies was supplementary to the other and as such when the first two recommendations had been adopted by Government, it followed that unless the third was also adopted, the raiyats could not get the full benefit of their recommendations. He pointed out that when the question of Cow Protection came up the other day almost every member said that it was cruelty to treat the dumb animals in the manner described. When such were the sentiments of the members of the House, he thought that the poor raiyats who so far as the deliberations in the House were concerned were equally dumb should be prevented from suffering a thousand and one ills that they were subject to in the malnad. A legislation of the nature before the House was already in force in the bordering Bombay Presidency and was stated to be working very satisfactorily. One advantage that the Mysore State had over that Presidency was that the mistakes found out there had been corrected in the Bill placed before the House. If there be any more defects still, they could be easily corrected in the Legislative Council. He did not think therefore that it was right to throw away the very beneficent measure brought up by Government.

MR. D. S. MALLAPPA said that there was considerable difference of opinion in regard to this Bill. It was not denied that the indebtedness of the poor raiyat should be relieved by all possible means, but he thought that there were other remedies than resorting to legislation. As instances he said that the Land Revenue policy of Government was not adequate and had not given the required relief; and that repeated requests for a reduction in the pay of officials for utilising the amount for the amelioration of the condition of the raiyats was not given effect to.

Continuing he said that the raiyat population as a whole was not ruined in any large measure on account of borrowing for the purposes of improving agriculture. While such was the case, he did not think it necessary to pass a legislation of the kind proposed in the belief that indebtedness would disappear the moment it was introduced. The

main thing to be done was to spread education among the people and put down litigious tendency among them. Even the Malnad Improvement Committee did not say that debt relief would be a panacea for all the ills of the raiyats. Government themselves showed their misgivings in regard to the working of the Bill in the early stages of its introduction. Even in Bombay where an act of this kind was in force, it was stated that attempts were being made to abrogate it.

He also said that the Land Mortgage Banks should necessarily precede the introduction of this legislation and that it was a matter for consideration whether a bank with a capital of about 2 lakhs of rupees as stated by Mr. Hosakoppa Krishna Rao would really be in a position to afford the required relief to the indebted raiyats. Even Sir M. Visvesvaraya who had the promotion of the prosperity of the country at his heart recommended the spread of education and of industries rather than a legislation of this kind.

The discussions in the House proceeded on the understanding that most people were rich and that they harrassed the raiyats. He thought that far from being rich they were very poor for the simple reason that Government did not take adequate steps to promote agriculture and industry among them to the extent desired. The local merchants themselves were in the clutches of foreign money-lenders and whenever the loans were not promptly repaid, such merchants would be entirely ruined. With this ruin, trade and prosperity of the country would inevitably suffer. With a large amount of capital so locked up in the shape of loans to the raiyats, there could not be adequate scope for the expansion of trade. That there was no surplus money in the country was clear from the fact that when the 7 per cent loan was floated by the Government, it was for the most part subscribed by foreigners. For these reasons he did not think that the country as a whole was sufficiently rich.

In the opinion of the speaker, the result of this legislation would be to help the raiyat to the prejudice of the money-lender. Even the estimate of the income of the raiyat which was fixed in the Regulation, at between Rs. 300 and Rs. 600 would be a question for the decision of the law court. This he said was the first step in litigation. The second step would be that the raiyat had the means of saying that every deed of sale was merely a deed of mortgage which he could easily prove by submitting oral evidence and which the courts were empowered to accept in evidence. That meant that the raiyat would be taught to practise fraud.

The net result of the introduction of the proposed measure would be to encourage indolence and idleness on the part of the raiyat making him borrow largely and evade payment by hook or crook, to increase litigation and to teach the raiyats to practise fraud. For these reasons, he said that this measure should not be accepted. If, on the other hand, Government were prepared to guarantee the payment of at least 75 per cent of the amount borrowed at present by the raiyats, the members would be agreeable to passing the Bill.

MR. K. H. RAMAYYA explained the main objects of the Bill and said that it was the duty of the richer classes to stand by the poor raiyats and protect them in their time of need. He said that the measure was primarily intended for the malnad and not so much for the maidan. After describing the poor conditions of the malnad raiyats, he appealed to the members that it was the duty of the House to afford them all possible help and relief and see that they were also made to live happily. He also said that this measure was copied from the Bombay Presidency making the necessary improvements to suit the requirements of our country.

He appealed to the members to accept the measure without giving room to criticisms from outside that even on beneficial measures of this kind, there was no unanimity in the popular House of Mysore.

Referring to the statement made by a few members that it could be difficult after the passing of this measure to get credit for the raiyats, he said that there were other means for the raiyats to obtain credit, *viz.*, co-operative societies, agricultural societies, Takavi loans from Government, etc., than the money-lenders for their requirements. The Bill need not be thrown out on that account.

MR. H. C. DASAPPA pointed out that when the Bill was first placed before the House, it was stated that it would apply only to the malnad, but the preamble was differently worded in the present Bill, the effect of which was that it might be introduced wherever Government considered it necessary to do so. He thought that if the Government had at once said that this would apply only to malnad, there would not have been any opposition at all, and that the opposition came only from the people of the maidan parts on account of the fear that it might be introduced there at any time.

Continuing Mr. Dasappa said that such a measure was in force in Coorg and had very beneficent effects on the raiyats. Speaking about the conditions in the malnad, he said that a debtor had not only to repay the capital to the

money-lender with compound interest, but also render personal service besides satisfying many other inconvenient demands of the creditor. In that way he said that many families of raiyats had been reduced to a state of slavery. It was to safeguard against such difficulties that the present measure had been brought up. The Bill gave relief not only to the raiyat but also to the money-lender. There was provision in the Bill for the redemption of the capital and interest although not in one lumpsum, but in instalments. Even in Coorg, there was what was called the system of crop hypothecation and crops were always at the disposal of the money-lender.

He agreed with the other members who said that there was a lot of scope for litigation. Referring to the suggestion made by the member for Hunsur, Mr. Rajagopala Mudaliar, that the estimate of the income of the raiyat which was fixed in the Bill at Rs. 300 to Rs. 600 might be based on acreage of land, Mr. Dasappa said the difficulty could not be solved as acreage would not give a correct idea of income since dry, wet and garden lands do not yield the same income for an acre. As an alternative he suggested that assessment on the land may be taken as the basis for calculation of income.

Referring to the view expressed by Mr. D. S. Mallappa that capital would be locked up, Mr. Dasappa said that the proposed legislation did not apply to that aspect at all. He was of opinion that the main object was to help only poor raiyats and not all.

In conclusion Mr. Dasappa said that if the measure was proposed to be applied to the maidan districts, it should be brought before the House for obtaining their approval.

MR. B. S. RANOJI RAO, speaking from his personal experience, said that such a legislation would be very beneficial to the malnad raiyats.

Another Malnad Member said that it was only the people of Shimoga District that pressed for the introduction of the measure and that therefore it should apply only to that district and not to others. He did not think that the measure would be helpful to the whole of the malnad.

Speaking about the high rates of interest charged by the money-lenders, he said that even Government were levying interest at 10 per cent for failure to pay assessment on the due date and as such it was not wrong for merchants to levy a little higher rate with the concommitant risk of losing a good part of the capital itself. He thought that, if necessary, the Government should take steps to restrict the

rate of interest which might be levied by the money-lenders instead of passing this legislation.

MR. S. VENKATESIAH was of opinion that the measure should be introduced in the first instance in the maidan in preference to the malnad. He pointed out that when the question of amending the Agriculturists' Relief Act in Bombay was considered by the Committee appointed by that Government, it was emphatically stated that the net result of the working of the Act was that "it was a contest of dishonesty." He also said that in the evidence given before the Royal Commission in the Bombay Presidency, it was stated by the Deputy Director of Agriculture that the Act did not help the raiyats in the least. In these circumstances, he did not see the necessity to introduce the measure in Mysore at this stage.

If the idea of the legislation was to improve credit, then it should be clearly stated in the preamble itself and it must also be stated how it was going to be done. He did not think that there was much agricultural indebtedness in the southern malnad. If there was any trouble it was due to inflated capital and inefficiency of marketting arrangements. He was emphatically of opinion that the law should be left as it was unless the Land Mortgage Banks were established for the liquidation of the debts of the raiyats

The main object of the Government should be to improve cultivation and without capital that was not possible. If by legislation Government proposed to prevent capital flowing into the country, it could not prosper. The most important thing for the prosperity of the raiyat is the creation of subsidiary occupations. Government had established cottage industries, weaving industries and the like, but they did not make sufficient arrangements for the flow of capital to them. In his opinion, the net result of the legislation would be not only that credit would be disturbed both to the raiyat and to the money-lender, but there would be an impediment to the general development of the country.

So far as Manjarabad Taluk was concerned, he said that there was no sort of a survey made up to date of the lands transferred over and over again from head to head, nor a debt survey.

As the effect of the legislation would be to merely discourage agricultural credit, he emphatically opposed it.

The Assembly adjourned for the day to meet again at 12 noon the next day.